

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Broadband, Policy & Analysis Branch**

**RESOLUTION T-17457
October 1, 2015**

R E S O L U T I O N

**Resolution T-17494. Approval of the California Advanced Services Fund
Expense Budget for Fiscal Year 2016-17 (July 1, 2016 through June 30, 2017)
to Comply with the Requirements of Public Utilities Code Section 270.**

Summary

This resolution adopts a California Advanced Services Fund (CASF) expense budget of \$98,447,451 for Fiscal Year (FY) 2016-17.

Background

On December 20, 2007, the California Public Utilities Commission (CPUC or Commission) approved Decision (D.) 07-12-054, which established the California Advanced Services Fund (CASF) program to provide matching funds of up to 40% of the total project costs for the deployment of broadband infrastructure in unserved and underserved areas in California. The Commission allocated \$100 million for the program funded by a 0.25% surcharge on revenues collected from end-users for intrastate telecommunications services effective January 1, 2008. The Commission further stated that prior to any CASF disbursements the Commission would seek statutory authority to add the CASF as one of the funds the State Treasury administers and seek statutory authority for (1) specific direction to telephone corporations for remitting CASF collections and (2) the Commission's use of the funds.

Senate Bill (SB) 1193 (Padilla, Chapter 393, Statutes of 2008) amended Sections 270 and 281 of the Public Utilities (PU) Code by establishing the CASF through January 1, 2013, subject to the same fiscal and financial restrictions applicable to the six (6) existing universal service funds.¹

Section 281 (a) of the PU Code requires the Commission to develop, implement, and administer the CASF to encourage deployment of high-quality advanced communications services to all Californians that will promote economic growth, job creation, and substantial social benefits of advanced information and communications technologies, as provided in D.07-12-054.

¹ The other six (6) universal service funds are: the California High Cost Fund -A Administrative Committee Fund (CHCF-A), the California High Cost Fund -B Administrative Committee Fund (CHCF-B), the California Teleconnect Fund Administrative Committee Fund (CTF), the Universal Lifeline Telephone Service Trust Administrative Committee Fund (ULTS), the Deaf and Disabled Telecommunications Program Administrative Committee Fund (DDTP), and the Payphone Service Providers Committee Fund.

Further, Section 270 (b) of the PU Code states that moneys in the universal service funds are proceeds of rates and are held in trust for the benefit of ratepayers. Funds may only be used for the purposes for which the funds were created and upon appropriation in the annual Budget Act.

On September 25, 2010, Governor Schwarzenegger signed SB 1040 (Padilla, Chapter 317, Statutes of 2010), which expanded the CASF and increased the CASF appropriation from \$100 million to \$225 million. The increase of \$125 million to be collected after January 1, 2011 is allocated to the following accounts: \$100 million to the Broadband Infrastructure Grant Account (Infrastructure Grant), \$10 million to the Rural and Urban Regional Broadband Consortia Grant Account (Consortia Grant), and \$15 million to the Broadband Infrastructure Revolving Loan Account (Revolving Loan). The \$125 million is to be funded by a surcharge assessed on revenues collected from end-users and collected at \$25 million a year beginning on calendar year 2011. To collect the additional funds authorized by SB 1040, the Commission issued Resolution T-17343 on September 22, 2011, which revises the surcharge from 0.0% to 0.14% effective November 1, 2011. On February 13, 2013, the Commission issued Resolution T-17386 which further revised the surcharge rate to 0.164% effective April 1, 2013 after determining that the CASF has been under collecting from the cap limit of \$25 million per calendar year.

On June 23, 2011, the Commission adopted D.11-06-038 to implement the provision of SB 1040 relating to the Consortia Grant program area. In Resolution T-17349 (December 2011), the Commission approved Year 1 budgets and three-year budget allowances for seven regional consortia totaling \$1.7 million. Subsequently, the Commission approved an additional seven grants in Resolution T-17355 (February 2012) for \$1.05 million. In 2014, the Commission approved additional funding of \$167,000 for the Gold County Consortium's Tahoe Prosperity Project in Resolution T-17440 and also approved grants to two additional consortia in Resolution T-17445, for a total 2-year CASF grant of \$550,000.

On February 1, 2012, the Commission adopted D.12-02-015 to implement SB 1040's provisions regarding the infrastructure and loan accounts. The Commission revised program rules and requirements for the infrastructure grant account – e.g., increased grant amounts to 70% and 60% of project costs for unserved and underserved areas, respectively; changed the “served” speed thresholds to 6 megabits per second (Mbps) download and 1.5 Mbps upload; revised the application and scoring process adopted in Resolution T-17143, and retained the eligibility for CASF grants and loans to entities holding Certificate of Public Convenience and Necessity (CPCN) or Wireless Identification Registration (WIR).² This decision also set forth the general guidelines for the CASF loan account as supplemental source of financing for projects that also obtain CASF grants.

On October 3, 2013, Governor Brown approved SB 740³ and Assembly Bill (AB) 1299.⁴ Specifically, SB 740 authorized the collection of an additional \$90 million⁵ to be deposited in the

² The Commission, in establishing the CASF in D.07-12-054, limited eligibility for CASF grants to a “telephone corporation” as defined under Public Utilities (P.U.) Code § 234. Telephone corporations are defined to mean those entities to which the Commission had issued CPCNs or WIRs to operate as communications service providers in California.

³ SB 740 (Padilla), Chapter 522, Statutes of 2013, amending PU Code § 281.

⁴ AB 1299 (Bradford), Chapter 507, Statutes of 2013, amending PU Code § 281.

CASF Infrastructure Grant Account, extended the surcharge collection through the 2020 calendar year, established the goal of the CASF program to approve funding for infrastructure projects that will provide broadband access to no less than 98% of California households by no later than December 31, 2015, and allowed any entity which is not a telephone corporation to be eligible to apply for a CASF grant and loan if that entity otherwise satisfies the CASF's eligibility requirements and any other requirements as defined by the Commission, amongst other requirements identified in the bill. AB 1299 created an additional account under the CASF called the Broadband Public Housing Account (Public Housing Account) to support the deployment of broadband networks and adoption programs in eligible publicly supported communities. The Public Housing Account efforts will be funded with \$20 million from the Infrastructure Grant Account and \$5 million from the Revolving Loan Account, respectively. Any monies in the Public Housing Account that have not been awarded by December 31, 2016, shall be transferred back to the Infrastructure Grant Account and Revolving Loan Account in proportion to the amount transferred from the respective accounts.

On February 27, 2014, the Commission approved D.14-02-018 which amends the eligibility rules for the CASF Program according to the definition of eligibility in SB 740. It gives the Commission the authority to enforce the terms and conditions of the grant awards and to impose penalties under P.U. Code §§ 2111 and 2108. On the same day, the Commission adopted Resolution T-17434, which increased the CASF surcharge rate to 0.464% effective April 1, 2014. The higher surcharge rate is intended to make up for the under collection of the authorized annual revenues for 2011 to 2013 and to have funds available to meet the new requirements imposed on the program by SB 740 and AB 1299.

On June 26, 2014, the Commission adopted Resolution T-17443, which set forth new timelines for applicants for CASF infrastructure grants/loans, including how and when local government agencies and non-telephone corporations may apply pursuant to SB 740.

On December 18, 2014, the Commission approved the rules and guidelines for implementing the Public Housing Account in D.14-12-039, including eligibility and application requirements (for public housing agencies and non-profit organizations receiving public funds for affordable housing), types of activities and costs to be funded by CASF, criteria for expedited review and approval of project applications by Commission staff instead of through Commission resolutions, and set quarterly deadlines for applications beginning January 15, 2015 through October 1, 2016.

In the 2015-2016 Legislative session, the Legislature passed AB 1262, which amends PU Code Section 281 to reallocate \$5 million of the authorized funding for the CASF Infrastructure Revolving Loan Account to the CASF Consortia Grant Account. As of August 24, 2015, AB 1262 was enrolled and presented to the Governor for signature.

⁵ On and after January 1, 2011, the Commission may collect an additional sum not to exceed \$215 million, for a sum total of moneys collected not to exceed \$315 million

Discussion

CD estimates a CASF expense budget of \$98,447,451 for FY 2016-17, which is the same as the total budgetary appropriation approved for FY 2015-16.⁶ This total budget covers costs for State Operations, Local Assistance, and Other Agencies as summarized in the following table.

Table 1. Summary of California Advanced Service Fund Expense Budget (Fund 3141)

Cost Categories (Fund 3141)	Enacted Budget FY 2015-16	Proposed Budget FY 2016-17
State Operations	\$4,429,000	\$4,429,000
Local Assistance	\$94,011,000	\$94,011,000
A. Infrastructure Grants	\$80,324,960	\$76,397,365
B. Consortia Grants	\$1,956,986	\$1,956,986
C. Infrastructure Revolving Loans	\$1,500,000	\$1,500,000
D. Public Housing Grants/Loans	\$10,229,054	\$14,156,649
8660 Public Utilities Commission Total	\$98,440,000	\$98,440,000
0840 State Controller (State Operations)	\$451	\$451
8880 Financial Information System for California (State Operations)	\$7,000	\$7,000
TOTAL BUDGET	\$98,447,451	\$98,447,451

CPUC State Operations

The estimated budget for CPUC State Operations for the CASF program in FY 2016-17 is the same as the enacted budget appropriation for FY 2015-16 (i.e., \$4,429,000). The CPUC's State Operations budget represents 4.5% of the total budget for the CASF program overall.

CD allocated certain forecasted State Operations costs items to each of the four CASF Accounts according to the percentage share of each account's funding to the total authorized funding of \$315 million to the CASF program overall per SB 740 and reflecting the reallocation of funding from the Revolving Loan Account to the Consortia Grant Account authorized by AB 1262.⁷ Other State Operations costs are fully allocated to a specific account depending on the cost item.

⁶ In Resolution T-17457, issued November 7, 2014, the Commission adopted \$97,831,451 as the total CASF budget for FY 2015-16. With the passage of AB 1717 (Perea, Chapter 885, Statutes of 2014) regarding prepaid mobile telephony services (MTS) surcharge collection and remittance, the Commission requested through the Budget Change Proposal (BCP) process increased budgetary appropriations for FY 2015-16 for six universal service public purpose programs, which include CASF, to cover allocated costs to each program associated with implementation of that statute. The MTS cost allocated to CASF for FY 2015-16 is \$181,461. The 2015 Budget Act approved this increase, which is reflected in the enacted budget for CASF of \$98.447 million for FY 2015-16.

⁷ The percentage allocations are rounded as follows: Infrastructure Grant 86% (\$270 million/\$315 million), Revolving Loan 1% (\$5 million/\$315 million), Regional Consortia Grant 5% (\$15 million/\$315 million), and Public Housing 8% (\$25 million/\$315 million).

The CPUC State Operations costs include the following items:

1. *CPUC staff costs directly associated with the administration of the CASF program (includes salaries and benefits):* The amount budgeted for this item is based on the number of positions that are directly charged to the CASF fund and allocated across each of the four CASF accounts either fully or prorated according to the percentages discussed above depending on the position.
2. *Indirect personnel costs allocated to CASF:* CPUC's costs allocation plan directs how CPUC's administrative charges are allocated to the sixteen special funds the agency administers, as well as overhead charged to grants. Cost allocation expenditures (sometimes referred to as indirect charges, or overhead) include Administrative Services salaries and operating expenses (CPUC Accounting and Budget Offices, Business Services, Contracts, Human Resources and Information Technology), facilities operations (rent, security and utility expenses), as well as Executive Division, Administrative Law Judge, and a portion of shared, legal expenses. The cost allocation plan methodology allocates to funds primarily on a Personnel Year basis; funds that support more staff absorb proportionally more CPUC overhead costs.
3. *CPUC staff travel costs:* These reflect estimated travel expenses to conduct field visits and inspections of ongoing and completed infrastructure and public housing projects, attend meetings with various consortia groups, and organize the annual Consortia Learning Summit. Travel estimates considered historical costs and projected number of visits to project sites, consortia meetings, and attendance at the annual consortia summit.
4. *Contract and personnel services for loan underwriting and servicing:* The Commission has contracted with an external agency to perform the financial eligibility review of loan applications, processing, and servicing of loans since the Commission does not have the staff or expertise to perform these functions. The budget for FY 2016-17 reflects the estimated cost of the contract for the fiscal year, which includes loan underwriting and financial eligibility review of applications and servicing of loans awarded under the Revolving Loan Account.
5. *Contract and personnel services for broadband mapping and related operating costs:* Under a 2009 federal grant of \$2.3 million, the Commission collects information on broadband service availability in the state and created an interactive web-based map that will give California residents the ability to access information about the services and providers available at their own address. To implement this grant, the CPUC partnered with California State University (CSU), Chico Research Foundation through a four-year agreement. In addition, the Commission conducts a field test every six months measuring actual mobile broadband performance throughout the state, and has created mobile applications to allow the public to provide the Commission with crowd-sourced data. Much of this mobile testing work has been done for the Commission under contract with CSU Chico and CSU Monterey Bay.

The California Interactive Broadband Availability Map including the demographic data collected through the federal grant, as well as the mobile testing activities, have been critical sources of information and tools in the implementation of the CASF program. Infrastructure Grant applicants can use the tools built into the interactive map to complete their

applications, and Commission staff uses the map to evaluate applications and challenges to determine if areas are grant-eligible and to determine how many households are impacted. The broadband data the Commission collects also provide key information for Commission staff to analyze and determine the status of broadband availability in various areas of the state, which the Commission uses in providing reports to the Legislature on the CASF program.

Since the federal grant was only through September 2014, it is imperative that the CASF program provides the needed funding to continue the Commission's data collection, interactive map development and mobile testing application work and include it in the CASF budget beginning in FY 2014-15. Accordingly, the FY 2016-17 budget amount is based on the projected costs associated with the CSU Chico and CSU Monterey Bay contracts. The total cost for these contracts is pro-rated across the four CASF accounts as discussed above. The budget also includes cost for mobile phone subscriptions needed for the mobile broadband field tests that the Commission conducts. This cost item is fully allocated to the Infrastructure Grant Account.

6. *Contract and personnel services for audits:* Existing Commission decisions give the CPUC the right to audit CASF projects/grantees in order to ensure that CASF funds are spent appropriately, and in accordance with CPUC directives and authorization. For FY 2016-17, the Commission is required to undertake another interim performance and financial audit of the CASF program and to submit reports to the Legislature on April 1, 2017, regarding the results of these audits, pursuant to PU Code Section 281 (h)(1). The total amount budgeted for FY 2016-17 represents costs associated with the CASF performance and financial audits, as well as costs allocated to CASF for the audit of surcharge remittances.
7. *Pro-rata interagency cost:* This represents CASF's contribution to the statewide administrative costs for services rendered by other State agencies.
8. *Prepaid Mobile Telephony Surcharge (MTS) cost:* This represents CASF's share of the costs (i.e., salaries and benefits, operating expenses and equipment, and contracts) associated with the Commission's implementation of AB 1717 regarding prepaid MTS surcharges as discussed in footnote 5.

CPUC Local Assistance

The Local Assistance budget category covers grants and/or loans to eligible entities under the Infrastructure Grant, Consortia Grant, Revolving Loan, and Public Housing Accounts. The amounts shown in Lines A to D in Table 1 above represent funds available to expend for grants and/or loans during the fiscal year. The total budget for Local Assistance for the CASF program in FY 2016-17 is the same as the total budget appropriation for FY 2015-16 (i.e., \$94,011,000). However, the budget breakdown across the four CASF accounts for FY 2016-17 differs from FY 2015-16, as further discussed below.

A. Infrastructure Grants

The Infrastructure Grant Account provides funds to qualified applicants to finance a fixed percentage of the total construction or capital costs of broadband infrastructure in unserved and underserved areas of California.

Infrastructure Grant funding for FY 2016-17 for new projects are estimated at \$76.397 million. This total includes available funds from estimated surcharge revenue collections for FY 2016-17 and prior years' SB 1040 CASF revenues that remain available for grant awards, less the \$20 million that is transferred to the Public Housing Account, per SB 740 and AB 1299. This budgeted amount for Infrastructure Grants in FY 2016-17 is necessary for the Commission to award grants to projects and enable achievement of the statutory goal of providing broadband access to no less than 98% of California households.

B. Consortia Grants

Funds in the Consortia Grant Account are made available for grants to eligible consortia to finance the cost of broadband deployment activities other than the capital cost of facilities. AB 1262 authorizes additional \$5 million funding for the Consortia Grant Account (transferred from the Revolving Loan Account) and will effectively extend this CASF program area beyond FY 2016-17. The Commission is expected to undertake another solicitation sometime within FY 2015-16, which may extend through FY 2016-17, for various consortia groups to submit applications for another round of grant awards. Hence, the Local Assistance budget for FY 15-16 and FY 16-17 for the Consortia Grant Account reflects the reallocation of funds from the Revolving Loan Account. The \$1.957 million budgeted for each fiscal year for the Consortia Grant Account represents the total grant funding available, less administrative costs for this program area.

C. Infrastructure Revolving Loans

The Revolving Loan Account is intended to finance capital costs of broadband facilities not funded by a grant from the Infrastructure Grant Account. The budgeted amount of \$1.5 million per fiscal year for the Revolving Loan Account in FY 2015-16 and FY 2016-17 reflects the reallocation to the Consortia Account as authorized by AB 1262. The total budgeted amount represents the funds remaining from the \$5 million authorized for the account (after transfer of \$5 million to the Public Housing Account and \$5 million to the Consortia Account) that are available for new loan awards during the fiscal years, less administrative costs for this program area.

D. Public Housing Grants/Loans

The Public Housing Account provides a total of \$20 million for grants and loans to finance projects connecting eligible publicly supported communities (PSCs) with broadband internet, and \$5 million for adoption projects for residents in PSCs.

A total of \$14.156 million is budgeted for the Public Housing Account for FY 2016-17. This represents the remainder of the \$25 million authorized for the Account, including the amount budgeted for FY 2014-15 that were not awarded (and therefore not encumbered) during that

fiscal year, less administrative costs. The Commission has until December 31, 2016 to award the funds available in the Public Housing Account to eligible projects.

Other State Agencies

0840 State Controller (State Operations)

This item represents funds for the State Controller's Office. The budget for FY 2016-17 is based on the appropriations recommended in the Governor's FY 2015-16 budget. Final appropriations will be determined when the Budget Act of 2016 is approved by the Legislature and the Governor.

8880 Financial Information System for California (State Operations)

This item represents funds for the Financial Information System for California (FISCal). FISCal is an information technology (IT) project managed by a partnership of Department of Finance, the State Treasurer's Office, the State Controller's Office, and the Department of General Services. The purpose of this project is to create and implement a new statewide financial system. The FY 2016-17 budget of \$7,000 reflects the appropriations recommended in the Governor's budget for FY 2015-16. Final appropriations will be determined when the Budget Act of 2016 is approved by the Legislature and the Governor.

Safety

The CASF program encourages the deployment of broadband throughout the State. Even though the CASF program targets deployment of broadband infrastructure to households, there are peripheral access benefits to public safety entities and anchor institutions. The forecasted FY 2016-17 CASF budget ensures that there are sufficient funds for the program to continue to promote the deployment of broadband in California.

Conclusion

CD's proposed California Advanced Services Fund FY 2016-17 expense budget of \$98.447 million for FY 2016-17 composed of \$4.429 million for CPUC State Operations, \$94.011 million for Local Assistance, and \$0.007 million for Other State Agencies is reasonable and should be adopted. The FY 2016-17 budget adopted today is subject to final appropriations adopted in the Budget Act of 2016. The appropriations adopted in the Budget Act of 2016, if different, will supersede the FY 2016-17 budget adopted in this resolution.

Comments

In compliance with P.U. Code Section 311 (g), a Notice of Availability was e-mailed on September 1, 2015 to the CASF Distribution List, which is comprised of parties of record in R.06-06-028, R.10-12-008, and R.12-10-012; CASF applicants; telecommunications service providers licensed and/or registered with the Commission; and other interested parties, informing them that the draft of this Resolution is available at the Commission's website <http://www.cpuc.ca.gov/> and is available for public comments. In addition, CD will inform these

parties of the subsequent availability of the conformed resolution, when adopted by the Commission, at the Commission's website as indicated above.

Findings

1. In Decision (D.) 07-12-054 dated December 20, 2007, the Commission created a new public purpose program, the California Advanced Services Fund (CASF), to encourage the deployment of broadband services in unserved and underserved areas.
2. SB 1193 (Padilla, Chapter 393, Statutes of 2008) amended Sections 270 and 281 of the Public Utilities Code (PU Code) by establishing the CASF through January 1, 2013, subject to the same fiscal and financial restrictions applicable to the six (6) existing universal service funds.
3. Section 281 (a) of the PU Code requires the Commission to develop, implement, and administer the CASF to encourage deployment of high-quality advanced communications services to all Californians that will promote economic growth, job creation, and substantial social benefits of advanced information and communications technologies, as provided in D.07-12-054.
4. PU Code § 270 (b) requires that moneys in the CASF may only be disbursed pursuant to §§ 270 and 281 and upon appropriation in the annual Budget Act.
5. SB 1040 (Padilla, Chapter 317, Stats 2010) expanded the CASF and increased the CASF appropriation from \$100 million to \$225 million. The increase of \$125 million to be collected after January 1, 2011 is allocated to the following accounts: \$100 million to the Broadband Infrastructure Grant Account, \$10 million to the Rural and Urban Regional Broadband Consortia Grant Account, and \$15 million to the Broadband Infrastructure Revolving Loan Account. The \$125 million is to be funded by a surcharge assessed on revenues collected from end-users and collected at \$25 million a year beginning on calendar year 2011.
6. To collect the additional funds authorized by SB 1040, the Commission revised the CASF surcharge from 0.0% to 0.14% effective November 1, 2011, in Resolution T-17343. The Commission further revised the surcharge rate to 0.164% effective April 1, 2013, in Resolution T-17386, after determining that the CASF has been under collecting from the cap limit of \$25 million per calendar year.
7. SB 740, enacted in October 2013, authorized the collection of an additional \$90 million to be deposited in the CASF Infrastructure Grant Account, extended the surcharge collection through the 2020 calendar year, established the goal of the CASF program to approve funding for infrastructure projects that will provide broadband access to no less than 98% of California households by no later than December 31, 2015, and allowed any entity which is not a telephone corporation to be eligible to apply for a CASF grant and loan if that entity otherwise satisfies the CASF's eligibility requirements and any other requirements as defined by the Commission, amongst other requirements identified in the bill.
8. AB 1299, also enacted in October 2013, created an additional account under the CASF called the Broadband Public Housing Account (Public Housing Account) to support the deployment of broadband networks and adoption programs in eligible publicly supported communities.

The Public Housing Account efforts will be funded through \$20 million from the Infrastructure Grant Account and \$5 million from the Revolving Loan Account, respectively. Any monies in the Public Housing Account that have not been awarded by December 31, 2016, shall be transferred back to the Infrastructure Grant Account and Revolving Loan Account in proportion to the amount transferred from the respective accounts.

9. In Resolution T-17434, the Commission further increased the CASF surcharge rate to 0.464% effective April 1, 2014. The higher surcharge rate is intended to make up for the under collection of the authorized annual revenues for 2011 to 2013 and to have funds available to meet the new requirements imposed on the program by SB 740 and AB 1299.
10. In Resolution T-17443 (June 2014), the Commission set forth new timelines for applicants for CASF infrastructure grants/loans, including how and when local government agencies and non-telephone corporations may apply pursuant to SB 740.
11. In D.14-12-039 (December 2014), the Commission approved the rules and guidelines for implementing the Public Housing Account, including eligibility and application requirements (for public housing agencies and non-profit organizations receiving public funds for affordable housing), types of activities and costs to be funded by CASF, criteria for expedited review and approval of project applications by Commission staff instead of through Commission resolutions, and set quarterly deadlines for applications beginning January 15, 2015 through October 1, 2016.
12. In the 2015-2016 Legislative session, the Legislature passed AB 1262, which amends PU Code Section 281 to reallocate \$5 million of the authorized funding for the CASF Infrastructure Revolving Loan Account to the CASF Consortia Grant Account. As of August 24, 2015, AB 1262 was enrolled and presented to the Governor for signature.
13. Communications Division's proposed CASF FY 2016-17 expense budget of \$98.447 million composed of \$4.429 million for CPUC State Operations, \$94.011 million for Local Assistance, and \$0.007 million for Other State Agencies is reasonable and should be adopted.
14. The FY 2016-17 budget adopted today is subject to final appropriations adopted in the Budget Act of 2016. The appropriations adopted in the Budget Act of 2015, if different, will supersede the FY 2016-17 budget adopted in this resolution.
15. A Notice of Availability was e-mailed on September 1, 2015 to the CASF Distribution List, which is comprised of parties of record in R.06-06-028, R.10-12-008, and R.12-10-012; CASF applicants; telecommunications service providers licensed and/or registered with the Commission; and other interested parties, informing them that the draft of this Resolution is available at the Commission's website <http://www.cpuc.ca.gov/> and is available for public comments.

THEREFORE, IT IS ORDERED that:

1. The Fiscal Year 2016-17 California Advanced Services Fund expense budget of \$98.447 million composed of \$4.429 million for CPUC State Operations, \$94.011 million for Local Assistance, and \$0.007 million for Other State Agencies is adopted.

2. Communications Division staff is authorized to modify the FY 2016-17 expense budget adopted today to conform to the final appropriations adopted in the Budget Act of 2016.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 1, 2015. The following Commissioners approved it:

TIMOTHY SULLIVAN
Executive Director